



OFFICIAL REPORT
AITHISG OIFIGEIL

Social Security Committee

Thursday 2 May 2019

Session 5



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SOCIAL SECURITY COMMITTEE

12th Meeting 2019, Session 5

CONVENER

*Bob Doris (Glasgow Maryhill and Springburn) (SNP)

DEPUTY CONVENER

Pauline McNeill (Glasgow) (Lab)

COMMITTEE MEMBERS

- *Dr Alasdair Allan (Na h-Eileanan an Iar) (SNP)
- *Jeremy Balfour (Lothian) (Con)
- *Michelle Ballantyne (South Scotland) (Con)
- *Keith Brown (Clackmannanshire and Dunblane) (SNP)
- *Mark Griffin (Central Scotland) (Lab)
- *Alison Johnstone (Lothian) (Green)
- *Shona Robison (Dundee City East) (SNP)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Shirley-Anne Somerville (Cabinet Secretary for Social Security and Older People)
Kevin Stewart (Minister for Local Government, Housing and Planning)

CLERK TO THE COMMITTEE

Anne Peat

LOCATION

The Mary Fairfax Somerville Room (CR2)

Scottish Parliament

Social Security Committee

Thursday 2 May 2019

[The Convener opened the meeting at 09:00]

Decision on Taking Business in Private

The Convener (Bob Doris): Good morning, everyone, and welcome to the Social Security Committee's 12th meeting in 2019. I remind everyone who is present to set their mobile phones and other devices to silent mode so that they do not disrupt or disturb the meeting. We have apologies from our deputy convener, Pauline McNeill, who unfortunately cannot be with us.

Under agenda item 1, the committee is asked to agree to take in private item 4, which is consideration of evidence heard and of the committee's approach to its draft report. Do members agree to take that in private?

Members indicated agreement.

Social Security Support for Housing

09:00

The Convener: Item 2 is the final evidence session in our inquiry into social security support for housing. We have one panel of witnesses. I welcome Shirley-Anne Somerville, the Cabinet Secretary for Social Security and Older People; Kevin Stewart, the Minister for Local Government, Housing and Planning; and the officials Pauline Torley, discretionary housing payment and housing-related social security policy manager; Kyle Murray, universal credit flexibilities policy manager; and Graham Thomson, supported and temporary accommodation team leader. I thank you all for coming to the meeting and I invite Shirley-Anne Somerville to make an opening statement.

The Cabinet Secretary for Social Security and Older People (Shirley-Anne Somerville): Good morning. I am grateful for the opportunity to come along, with my colleague Kevin Stewart, to present the Scottish Government's position on how the social security system in Scotland supports housing costs and to advise the committee of the impact on housing of the United Kingdom Government's welfare cuts.

As the committee has heard not only in its inquiry but for years, the UK Government's welfare changes have had a damaging and harmful impact on people not just in Scotland but across the UK. There is no doubt that the changes are impacting on the Scottish Government's aim that all people in Scotland should live in high-quality, sustainable homes that they can afford and which meet their needs.

There is concern that the reported increase in rent arrears could have a devastating effect on planned housing programmes and continuing investment in housing stock across Scotland. We have seen clear evidence that universal credit is causing avoidable and unnecessary harm to the people of Scotland. The Convention of Scottish Local Authorities has provided evidence that rent arrears for those who receive universal credit in full-service areas are 2.5 times higher than the average arrears for those who are on housing benefit.

Trussell Trust analysis shows that food banks in areas that have had universal credit full service in place for a year or more experienced an average increase in demand of 52 per cent in the 12 months after the full roll-out, in comparison with the previous 12 months. In other areas, the average increase has been 13 per cent. Local authorities are being left to pick up the tab of a

broken system by investing their own money to support people who are on universal credit—for example, Glasgow City Council has invested £2 million in creating UC support hubs.

The homelessness and rough sleeping action group found that

“Decisions about social security have a direct impact on homelessness”,

and it made a number of recommendations for the Department for Work and Pensions about the benefit cap and freezes, sanctions on people who are homeless or at risk of homelessness, waiting times for universal credit and the support that is available in jobcentres.

Overall, the UK Government’s welfare cuts are expected to have reduced welfare spending in Scotland since 2010 by about £3.7 billion by 2020-21. Included in that are housing benefit rules changes, the bedroom tax and the freeze on local housing allowance rates. Local housing allowance rates can meet rents that are in the bottom 30 per cent of the market in only 10 of the broad rental market areas in Scotland. The UK Government has acknowledged that the freeze is unsustainable, but we do not know what plans, if any, it has to rectify that.

For those reasons, the Scottish Government will invest more than £125 million in 2019-20 in mitigating the worst impacts of welfare cuts and supporting those who are on low incomes. That includes more than £60 million for discretionary housing payments to mitigate the impacts of the bedroom tax, the LHA rate freeze and the benefit cap.

Unfortunately, we are limited in what we can do with universal credit, as it is a reserved benefit, but we are using our limited powers to make the delivery of universal credit more flexible and better suited to the needs of those who claim it in Scotland. Since October 2017, the Scottish Government’s universal credit Scottish choices have given people the choice to receive their award twice monthly and to have the housing costs in their award paid directly to their landlord, although we depend on the DWP to deliver that and to ensure that clients get the information that they need.

Our vision is for everyone to have a warm, affordable home. We want a housing system that works for everyone, and we have taken a raft of actions to increase the supply of affordable housing across Scotland, to end homelessness, to support people in crisis and to mitigate the UK Government’s cuts. However, we cannot fill the gap of the £3.7 billion of cuts that the UK Government is imposing on Scotland. In his interim report last November, the United Nations

special rapporteur on extreme poverty and human rights said:

“Devolved administrations have tried to mitigate the worst impacts of austerity, despite experiencing significant reductions in block grant funding and constitutional limits on their ability to raise revenue.”

However, mitigation comes at a price and it is not sustainable.

The Convener: Thank you very much, cabinet secretary. Before I bring in my colleagues to ask questions, I will explain how our evidence sessions work. Before an evidence session starts, colleagues discuss themes of questions that we would like to explore. Today, rent arrears was right at the top of the list. As we proceed with questions, the committee’s concern about that area will become evident. Given that the issue is one that we really want to focus on, that is a good place to start. Keith Brown, do you want to start with a question about rent arrears?

Keith Brown (Clackmannanshire and Dunblane) (SNP): I had been going to ask about the point that the cabinet secretary made about Scottish choices. However, since the subject has been mentioned, does the Government have figures for rent arrears? At the most recent committee meeting, there was some dispute. One of my Conservative colleagues said that, in my area, there had not been an increase in rent arrears because of universal credit, but my figures show exactly the opposite. Does the Government have a breakdown of the figures across different local authority areas? I was interested in what the cabinet secretary said about the nature of the increase, once we have had full roll-out of universal credit. I assume that those figures are available to and accepted by everybody. Do the figures come from COSLA or some other source?

Shirley-Anne Somerville: I have certainly had discussions with COSLA about what more can be done to ensure that we have all that information. Committee members will have had material from, for example, Highland, which was one of the first areas to experience universal credit. COSLA is looking closely at the impact on rent arrears and, in particular, at the gathering of data on that, because universal credit is having a very severe impact. The Government will provide the information that we have and, if COSLA has not presented all the material to date and the committee is still looking for that evidence, we can perhaps fill in those gaps.

The Minister for Local Government, Housing and Planning (Kevin Stewart): We can give you a general idea. You might already have some of these figures. In September 2017, COSLA reported high levels of mainstream rent arrears, with increases of 29 per cent in East Lothian and 14 per cent in Highland for the full year 2016-17.

In those areas, roll-out happened at the very beginning of the process. In my patch in Aberdeen, the initial roll-out of universal credit led to a rapid increase in local authority rent arrears. We can break that information down for the committee in some depth by providing the figures for each local authority.

Although rent arrears obviously have an awful impact on people, they also cause difficulties for local authorities and housing associations from the point of view of future investment. If they are not comforted by the cash flow, they are reticent to invest in new homes or to refurbish existing homes. Therefore, rent arrears have a major impact on people, but they also have other impacts on how we deliver business in Scotland.

The Convener: I know that Keith Brown wants to explore Scottish choices, but on rent arrears, the figure that COSLA gave us was that, in the first four local authority areas in Scotland where universal credit was rolled out, there was an average increase in rent arrears of 26 per cent over the first two years.

Now that that roll-out is complete and the new system is bedding in, will the Scottish Government collect figures on those who migrate over to universal credit? Obviously, you get eye-watering figures when a huge number of people move on to universal credit but, as folk trickle on to the system through natural migration, can we do any analysis of rent arrears at that point, so that we not only get headline figures but also capture the lived experience?

Shirley-Anne Somerville: That is why I said in my original answer that we are working closely with COSLA on that. It is looking to increase the depth of the information that it has, which is already strong in the first roll-out areas, to ensure that we pick up the full extent of the impact of rent arrears.

At the outset, the DWP said that it would recompense local authorities for any additional administrative costs that universal credit caused. It is fair to say that, since that original offer, it has not been forthcoming with assistance for local authorities in that area. That is another reason why the authorities in particular are keen to do something in that regard. We are working closely with COSLA to ensure that we share all the information that we have.

Keith Brown: I do not know what, in the final analysis, will be shown by the information that comes through once universal credit has bedded in everywhere. I should say that I checked with Clackmannanshire Council for its latest figures, given the point that was made previously.

One point that has come up is the issue of whether some of the immediate increases in rent

arrears are to do with the change of system, which might mean that they will taper off. I do not know whether that is the experience in other areas, but it does not seem to have been the case in Clackmannanshire. I do not know whether the figures will enable us to interrogate this issue, but it would be interesting to know to what extent the problems are to do with the change of system and to what extent they are to do with the £3.7 billion-worth of cuts and the cap that has been put in place.

Given what the cabinet secretary said about the mitigation systems that have been put in place by local authorities and others, it seems to me that the whole system was badly flawed or underfunded—or both—from the start. It would be useful to see whether the figures—whether they are gathered by COSLA or otherwise—will allow us to interrogate the extent to which the issues have been caused by the cap and so on and the extent to which they have been caused by the change of system.

Shirley-Anne Somerville: One of the challenges that people face when they move on to universal credit is the minimum five-week wait. In many cases, there are people who are building up debt that they find it difficult to recover from. In essence, the system of universal credit builds in a period right at the beginning in which many people fall into debt, and they find it difficult to move away from that. That means that the issue is to do with the change in the system but, in effect, the issue is now systemic, with the result that those problems will carry on and will continue to cause great difficulty for people. Obviously, as Mr Stewart said, that has an impact on the local authorities and registered social landlords, particularly smaller ones. As more and more people move on to universal credit, the problems that we are discussing will make a really big difference to their returns.

Kevin Stewart: We must also say that many RSLs and others in the housing sector have done all that they possibly can to provide information to help people. I know of one RSL that suggested to tenants that they might want to pay a little bit more in advance of any switchover. However, that kind of thing is impossible if you are on your uppers and you are living from hand to mouth anyway. There is a huge lack of understanding on the part of the UK Government about the impact of the roll-out of universal credit, not only on individuals and families but also in terms of the delivery, refurbishment and service provision that local authorities and housing associations are responsible for in Scotland and across the UK.

Keith Brown: I apologise for steering the discussion in a different direction, convener, but I would like to ask a question that I tried to ask at

general question time last week but was not able to.

I go back to the cabinet secretary's point about the fact that people can go into arrears almost right away because of the five-week wait. On top of that, there is the reluctance of the DWP and the UK Government to reduce the amount that can be clawed back in what I think are called retentions—they have said that they will not go below 30 per cent, whereas a recent recommendation said that the figure should be 5 per cent. The five-week wait can put someone straight into arrears. I imagine that the ability to claw back as much as 30 or even more per cent from what is, as the minister said, a fairly small amount for people who are living on the edge will perpetuate the situation that people are in and increase future arrears.

09:15

Shirley-Anne Somerville: Given the clawback mechanism, it is very difficult to see how many of the people we represent could survive without the assistance of food banks or other charities. The policy choices and systemic issues in universal credit make it exceptionally difficult—impossible, even—for some people to get out of that situation. It is true that they can get an advance payment to alleviate some of the issues within the minimum five-week wait period, but they have to pay that back at very high rates, as Mr Brown pointed out in the question that he lodged last week.

That is a great concern, particularly in relation to the impact on the individual. The system is just not flexible enough to enable those who are trying to implement it to take that into consideration. They are put in a very difficult position when dealing with individual cases, because the system drives debts in many areas. Keith Brown has pointed out another such area.

Kevin Stewart: I want to point out some of the impacts of universal credit in relation to temporary accommodation. I have some figures with me. Three local authorities—East Dunbartonshire Council, Highland Council and Midlothian Council—were able to provide us with substantial data on the trend in increasing rent arrears for their temporary accommodation. All three local authorities show steep rises in the level of rent arrears in their temporary accommodation, which arise from the processes of payment under universal credit and from the policy of restricting the level of the housing costs element to local housing allowance rates.

The increased levels of temporary accommodation rent arrears from the start of universal credit range from 113 per cent in Highland to 432 per cent in Midlothian, while there has been an increase of 122 per cent in East

Dunbartonshire. That clearly demonstrates the real difficulties that arise from the funding of temporary accommodation rental costs through universal credit. We are seeing real problems across the country. We will continue to capture that data and to talk to COSLA and other partners about it. All of that is having a real impact on some of the most vulnerable people in our society.

Mark Griffin (Central Scotland) (Lab): I want to go into a bit more detail on Scottish choices. Has there been any analysis of Scottish choices or is an audit planned? How many people have taken them up and how many people have chosen to revert back to payment direct to tenant after taking that up? How much has it cost so far? What is the Government's view on whether exercising Scottish choices to make payments direct to a landlord is having a positive impact on rent arrears?

Shirley-Anne Somerville: The latest figures on Scottish choices show that almost 50 per cent of those who were offered a choice took up one of the choices. I am interested in seeing how Scottish choices is working. It has been in place for a reasonable time, so we can now review that approach. Later in the year, we will undertake a review and an analysis of Scottish choices to ensure that it is working correctly. The committee will be interested in some areas that the review will consider, such as the way in which Scottish choices is offered, the timing of its being offered in the system and whether we need to do some work on general awareness. We are keen to encourage a greater awareness of Scottish choices. I am sure that the committee's recommendations from this inquiry will assist me and my officials in deciding where we might want to take the review and what its remit will be.

The on-going operational costs were just under £115,000 for the period 4 October 2017 to 31 December 2018. The costs beyond that are being finalised. The Scottish Government paid just over £0.5 million to the DWP in April 2018 for the one-off costs, which included changes to the UC information technology system and updates to DWP staff guidance and training. Obviously, during the review, we will look at whether that represented good value for money and at what individuals who are receiving Scottish choices feel about the system. We are determined to speak to individuals who have experienced Scottish choices and, indeed, to those on UC who did not go on to Scottish choices, to understand the reasons why they did not.

Mark Griffin: You spoke about the point in the process when people are offered the choice being important, and that is absolutely right. Last week, when we asked the DWP for a description of how a Scottish choice for direct payment was implemented in comparison to, say, the DWP's

alternative payment arrangement, the witnesses said that there was absolutely no administrative difference in implementing the two systems. Would it be more beneficial if direct payment could be initiated from the first payment in the same way as the DWP's alternative payment arrangement system operates?

Shirley-Anne Somerville: That was looked at when the original project was being designed. We went out to speak to those who have lived experience about what they wanted to see from the system, and the feedback that we got at that point was that it would make sense for Scottish choices to come in at the time of the second payment. The project was therefore based on the feedback that we got from individuals who had lived experience and was not just something that the Scottish Government and the DWP came up with.

As the review is taken forward, that will be an interesting point. Now that people have had more experience of Scottish choices, it will be interesting to see whether that is still what people believe. I am not beholden to saying that we will never change the system at all, but, as the committee would expect—and as we do in all social security policy making—we will use the evidence that we get from those with lived experience to see what works for them.

Mark Griffin: Witnesses have raised the concern that Scottish choices is available only from the second payment onwards, so I am glad that the Government is taking that on board.

You mentioned value for money in the amounts that have been paid to the DWP so far, which is a lot of money. Witnesses were concerned that the DWP is pushing people to exercise a Scottish choice rather than using its own system to put people on an alternative payment arrangement. That point was raised by witnesses to the committee and was put to the DWP.

The DWP recognised that and said that it has had to reissue guidance to its staff on the appropriate use of alternative payment arrangements. Will you speak to the DWP, to recover some of the money that the Scottish Government has had to pay for Scottish choices being exercised inappropriately when someone should have been put on an alternative payment arrangement?

Shirley-Anne Somerville: At this point, we think that Scottish choices represents good value for money because it gives the individual the slight flexibility that they cannot have under the rest of the DWP system. In general, therefore, it represents good value for money.

Obviously, it would be more advantageous to the Scottish Government to have in-built flexibility

in the UC system full stop, because it would mean that such choices would be available at a UK level and we would not have to use the Scottish Government block grant to provide them. They would be available just as a matter of course. It is a matter of regret that we are again having to use the Scottish Government block grant to make a reserved benefit slightly better.

You have made an interesting point, and I have seen the committee's evidence-taking sessions, particularly on the administration of Scottish choices. I would say that, in general, we are satisfied that the DWP is administering the UC Scottish choices correctly, but the evidence that the committee has received is exceptionally interesting and we will take the matter up with the DWP directly. I am very interested in the material that the committee has received, and we will look into the matter further.

Mark Griffin: On the policy decision to make payment to the tenant the default, with an option to pay the landlord directly, a number of witnesses have told us that it would be beneficial for the system to work the opposite way round—in other words, to make payment of rent directly to the landlord the default and to reserve the option for those on universal credit to take control of their own rent payments and manage their own budgets. Would the Scottish Government be open to considering that in its review of Scottish choices?

Shirley-Anne Somerville: Again, the evidence that the committee has received on the matter has been interesting. I suppose that it goes back to first principles and our belief in social security as a human right and in individuals' right to choose how their social security payments are implemented. I can see why some witnesses might suggest an alternative approach to that, but I am quite uncomfortable about taking away an individual's right to make that choice and assuming that the default should be payment of money straight to a landlord. The issue can be looked at, but on the basis of whether it fulfils the core principles of what we are trying to achieve with social security in Scotland, which is the individual having a choice about how their payment is made.

Mark Griffin: Different opinions have been expressed about where the default should lie. Citizens Advice Scotland said in evidence that there should be no default at all and that the claimant should be offered the choice of whether the money is paid directly to them or to the landlord at the outset. Given that that seems to go back to first principles and the human rights that you have mentioned, what is your view of that proposal?

Shirley-Anne Somerville: It certainly relates more to first principles. Citizens Advice Scotland's

evidence on the matter was very interesting, and the review could look at how we constantly check what we are doing in Scottish choices and other areas of social security with regard to the first principles that are set out in the legislation. Obviously, things have moved on a lot since the implementation of Scottish choices, as a result of the other things that we are doing with social security, and the evidence that the committee has taken on this area, including the evidence from Citizens Advice Scotland, will be very useful in our review.

As I have said, we will pay very close attention to what those with lived experience of the system are saying about it, but stakeholders—particularly Citizens Advice Scotland, which deals with many people who are in rent arrears and with concerns about universal credit—will be crucial to ensuring that we capture all the possible information in our review. I will, of course, be more than happy to provide the committee with further updates as we move forward with the review.

The Convener: Is the Scottish Government able to provide information on the rent arrears or otherwise of claimants who have exercised Scottish choices and are getting their payments made directly to the landlord as opposed to those who receive the money themselves and then go on to pay their rent? Is there an evidence base that says that the application of Scottish choices reduces rent arrears?

Shirley-Anne Somerville: That is one of the areas where, again, we will have to look at the evaluation of Scottish choices and its impact. We cannot provide that information to the committee at this point, but Scottish choices has been up and running for a reasonable length of time, so we can now evaluate it.

09:30

The Convener: The committee would find that information helpful, even if you cannot provide it today. You may be aware—even anecdotally—of local authorities or housing associations having done an audit of their tenants that shows that those who have exercised Scottish choices are less likely to have rent arrears.

Mr Stewart, you spoke about local authorities and housing associations being reliant on their rental income to refurbish homes, to invest and to give banks assurances when they borrow money for new housing stock. Does the greater exercise of Scottish choices give confidence to the sector? More information on that would be helpful.

Kevin Stewart: As you are well aware, I have regular discussions with COSLA housing conveners, with the Scottish Federation of Housing Associations and with the Glasgow and

West of Scotland Forum of Housing Associations. Although some of those matters have come up, I have no direct data from them on the issue. Nevertheless, we can seek that information and add it to the data pool. A number of those bodies are not backward in coming forward if they feel that there are real issues or anomalies, so I will raise the issue when I next meet them.

Dr Alasdair Allan (Na h-Eileanan an Iar) (SNP): Do you want to say anything about the process by which social landlords are collecting their rent? Is there anything that they could be doing to minimise the impacts of universal credit?

Kevin Stewart: As I indicated to Mr Brown, many social landlords are extremely proactive in helping their tenants—in some cases, in ways that are probably above and beyond the call of duty—but they also have to protect their cash flow.

As I said, I know of one case in which a housing association tried to get folk to pay a little bit extra up front, but that is not possible in a lot of cases. Some housing associations, in particular, have fantastic money advice schemes and do their level best to give people the best advice, so that they do not get caught in a poverty trap. That is also in the interest of the housing associations, because they get the rental payment and there are no arrears. The fact that the DWP has committed to fixing social landlord payment schedules is also a step forward.

As you can imagine, we continue to have discussions with housing associations and councils all the time, and, when we find good practice in their work, we try to export that. Organisations such as the Scottish Federation of Housing Associations are also immensely good at that.

All of that is good if it helps folk in such circumstances to maximise their income, but, as I said to Mr Brown, if someone's income is maximised but they are living from hand to mouth and are on their uppers, and if all of the anomalies that have been put in place by the UK Government have been brought to bear on them, there is not a lot that can be done. At the moment, an ill-thought-out system is putting the most vulnerable folk into even greater depths of despair.

Dr Allan: One of the pressures that you have talked about is the wait that most people have for an initial payment. You have touched on some of the issues, but I wonder what you make of the DWP's assessment that the first payment period is needed to allow the work coach to assess whether an alternative payment arrangement is needed. What do you make of the DWP's explanation that that period is somehow needed for the process to work?

Shirley-Anne Somerville: It is difficult to agree with the assessment that that five-week wait is needed, given the impact that it is having on people. I have a great deal of respect for the individual work coaches, who are trying very hard to implement the system as well as it can be implemented for the people who are in front of them. However, there is no doubt that work coaches will be sitting with people whom they know cannot wait five weeks. I stress that the minimum wait is five weeks and that many people will wait for longer than that. That is why it is very important that the systemic problem in universal credit of that five-week wait is looked at urgently.

The UK Government seemed to take that on in some respects, because, for example, in some areas around migration, there will be transfer security for some people and a two-week run-on. That is not the case in all situations and it does not protect everybody. It does rather hint, though, that the DWP knows that there is a problem there, because a transitional arrangement is put in place for some people, although anyone who does not qualify for a transitional arrangement does not get it.

There must be a very serious investigation by the DWP into the implications of the five-week wait. I suggest that the evidence is already out there—not from the Scottish Government but from well-respected third sector charities and think tanks that are providing that evidence directly to the Work and Pensions Committee at Westminster, for example. There is strong evidence out there to suggest that the five-week wait is having an impact and that there are ways in which the system could prevent that from happening.

Dr Allan: You say that the DWP and the UK Government should review the process. Is there any sign that they are doing so?

Shirley-Anne Somerville: They are exceptionally beholden to the policy of universal credit despite the evidence of the impact that it is having on people. The UK Government is perfectly entitled to have different policy processes for reserved benefits such as universal credit. However, it is disappointing that, although the evidence around some aspects of universal credit is really stark and is coming from organisations that we would normally expect a Government to listen to when they all come together, the UK Government is not listening. Indeed, the Work and Pensions Committee of the House of Commons has also raised such challenges.

That is deeply disappointing when there is such strong evidence out there, but the UK Government seems at this point not to be willing to change its view on universal credit. The five-week wait seems not to be an area that the new secretary of state is

looking at. She has said that she is listening, which is a welcome change from her predecessor. However, if she is listening, there are areas on which the evidence is loud and clear for her to hear.

Shona Robison (Dundee City East) (SNP): I want to move on to DHPs. The evidence so far is that people generally view DHPs as having had a positive impact, not least in preventing arrears. I know from my casework that that is very much the case.

Some questions arise, though. First, the bulk of the DHP budget obviously goes on bedroom tax mitigation being applied in the social rented sector, but the £11 million for other spend could include support for private sector tenants or social rented sector tenants who are affected by other welfare reforms. What work has the Scottish Government undertaken to assess the impact of the £11 million of DHP funding that is not for bedroom tax mitigation? Have you looked at how local authorities—individually and collectively—are spending that money, whether its allocation among authorities is right and whether the overall balance of the £52 million is correct in the light of such pressures?

Kevin Stewart: First, I say that administration of discretionary housing payments is fully devolved to local authorities, which are, in the Government's opinion, best placed to understand and support communities and households in their areas. DHPs are used to alleviate hardship that is caused by inability to pay housing costs, for which it can, at times, be very difficult to determine a single factor.

Ms Robison asked about how the Government collects data. We publish official statistics on the number of DHP awards and the total spend per local authority. Biannually, we also collect and monitor councils' outturn data, which includes each local authority's spend on LHA, the benefit cap and core DHPs. We intend to start publishing the data in 2019-20.

The funding is distributed according to a formula that is agreed with COSLA. In reaching that agreement, we take into consideration the councils' outturn data from previous years, together with other factors such as whether universal credit is about to be rolled out to the area in question.

As has already been pointed out, this year we are investing more than £125 million to mitigate the worst impacts of welfare reform—in effect, to abolish the bedroom tax and to support people who are on low incomes. As the committee is probably aware, since the devolution of DHP funding from the DWP, the Scottish Government has significantly increased the funding that is available, and has provided an extra £6.1 million

to help people who are most affected by welfare reform, including through measures such as the benefit cap and local housing allowance.

We continue to talk to our partners. We know that some local authorities add to their DHP budgets from their own resources, as they can do. That is where we are at present. I assure the committee that we will continue to monitor all the situations that have been mentioned.

Shona Robison: I know that some local authorities, including in my area, are adding to that budget, which is important. The Scottish Government has had to look to its own resources to mitigate the impact of reserved benefits, and local authorities are doing likewise, so there is a double whammy.

I accept your point that because DHPs are devolved to local government the decision is for local authorities to make. However, as I am sure you are aware, concerns have been raised about variations in how payments are made and how such spending is overseen by individual authorities. Under the 2018 act, the Scottish Government now has the power to issue guidance. You will be aware that some witnesses have suggested that it would be beneficial for the Scottish Government to do that. What are your thoughts on that? I understand that, at the moment, authorities follow DWP guidance.

09:45

Kevin Stewart: At the moment, we have some interim guidance but, in the main, councils follow DWP guidance alongside the interim guidance note that the Scottish Government has provided.

We are drawing up full statutory guidance—obviously, in conjunction with the councils and COSLA. It will be available after we have consulted on the draft. It is probably too early to say how much that guidance will differ from the current DWP guidance and interim guidance note that we have put into play. However, we are working with COSLA in a working group to ensure that guidance is drawn up and that consultation takes place. My understanding is that local authorities have not mentioned difficulties with the guidance being used with the interim note that goes alongside it. We hope to have our own guidance out very soon.

Jeremy Balfour (Lothian) (Con): It is now just over a year since the act was implemented and the Scottish Government has not yet taken the powers. You said that the guidance is imminent. What does that mean in layman's terms? Are we talking six months, nine months or 12 months before we see the Scottish Government's guidance and we move away from the DWP?

Kevin Stewart: I do not think that I used the word "imminent" in what I said previously. We are working in partnership with COSLA and local authorities to get this right. If there was difficulty with use of the current DWP guidance alongside the interim note that we have issued, we would move apace. We have the opportunity to get this absolutely right for everyone in Scotland, and to address the issues that might have been raised at the committee. We will continue to work with COSLA and local authorities in the working group. We will move then to consultation, and we will issue the guidance as soon as that is practicable.

The Convener: Mr Balfour does not want to come back in on that, but I want to mop up something. We have heard concern that some tenants who are on universal credit are having problems with getting DHP for bedroom tax mitigation. That is because local authorities are not processing housing benefit any more; it is being done differently under universal credit, so local authorities are not always aware that there is an issue. Have the cabinet secretary and minister heard any of those concerns? What could we do to rectify that situation?

Shirley-Anne Somerville: There are concerns because local authorities' ability to access information on housing benefit showed who might be eligible for a discretionary housing payment. People not being on housing benefit makes it more difficult to see how to alleviate the problems through use of DHPs. That is a particular concern.

That is also one of the reasons why we are concerned about our mitigation of the bedroom tax. We want it to be abolished at source, but the bedroom tax still exists in Scotland and we are simply mitigating its effects. It is getting more difficult to do that because we face a challenge in respect of access to information about universal credit.

That is why it is disappointing that the DWP has put back, from April 2019 to May 2020 at the earliest, mitigation at source of the bedroom tax. We are entirely dependent on the DWP in respect of mitigating the effects of the bedroom tax: the policy exists, but it is, unfortunately, not within the Scottish Government's gift to deliver on its objectives. We need the DWP to do that: the situation is causing us more problems than we would like, given the timetable.

The Convener: Although the timetable has slipped, is the Scottish Government doing the work that it must do so that, when the change eventually happens, it can move quickly to abolish the bedroom tax at source, if it cannot abolish it?

Shirley-Anne Somerville: We need the DWP to abolish at source, which needs a change to the DWP's system. The policy has been agreed, but it

requires a change in the DWP's IT systems. It comes down to where that item is on the DWP's list. The wider DWP is not short of IT projects and of requirements for information and analysis; devolution of benefits is one small part of a very large department.

We are aware that a greater administrative burden is being placed on local authorities through their handling of DHPs, which increases as the UC case load increases. We call on the DWP to take active steps with us to support local authorities in delivering DHPs in a world in which universal credit still exists, until we move on to the solution of abolishing the bedroom tax at source.

Michelle Ballantyne (South Scotland) (Con):

From having watched our evidence sessions, you will be aware that we have had quite a bit of discussion about the impact of local housing allowance rates and the broad rental market areas. What scope does the Scottish Government have to use its UC powers to amend LHA rates and the BRMAs? Have you considered using those powers? What costs would be incurred from going down that route? I appreciate that you would prefer that the DWP, rather than you, do that work, but if it does not—it has said that it will not look at the BRMAs—what will your position be?

Kevin Stewart: The Scotland Act 2016 powers give us some flexibility in how the universal credit housing costs element is calculated, but using those powers to change LHA rates would be very challenging in practice. We have no power over housing benefit, so using such powers would create a two-tier system in the private rented sector and a three-tier system overall, given mitigation of the bedroom tax in the social rented sector.

A change would not only be very expensive but would still have to be delivered by the DWP. As we are working with the DWP to abolish the bedroom tax at source, and are committed to introducing split payments in universal credit, changes to support for the private rented sector will not be feasible in the short term, if ever.

Following the recommendations of the homelessness and rough sleeping action group, we have committed to analysing this year the interaction between LHA rates and homelessness. It would make much more sense for the Scottish Government to stop mitigating the effect of the cuts and instead for responsibility for social security to be devolved completely to Scotland.

The UK Government recognises that the freeze on LHA rates is unsustainable, so I suggest that it should unfreeze all the rates now and ensure that we do not drive the most vulnerable people in our country into even more debt and despair.

Michelle Ballantyne: So, basically, you do not envisage the Scottish Government doing anything at all on LHA rates and BRMAs. What would you like the UK Government to do? Obviously, it has already said that it will lift the freeze. What changes would you like to see around LHA rates and BRMAs?

Kevin Stewart: The UK Government needs to lift the freeze and bring back a sense of reality. It is not just the Scottish Government that is saying that; Michelle Ballantyne would find that every third sector organisation in Scotland and the UK is saying exactly the same thing.

Michelle Ballantyne: I am asking you what you would like.

Kevin Stewart: I am telling you what I would like. I would like the UK Government to take a realistic stance in terms of helping the most vulnerable people in our society. It would be absolutely wrong of us to create a three-tier system that might not work and which we would depend on the DWP to deliver. What we require is that the UK Government stop its social security cuts, take a long hard look at itself and ensure that the most vulnerable folks in our society are protected. It should be unfreezing the LHA rates now and bringing them back to some kind of reality.

Michelle Ballantyne: I will ask a simple question. You use the word "reality". Do you want the rate to be set at the 30th percentile, the 50th percentile or what? I am asking you what you would like to see done to it and where you would want it to be set.

Kevin Stewart: I want the rate to recognise the market rates in particular areas. We can argue about the percentiles until the cows come home, but what we actually need to do is put money in folks' pockets so that they are able to pay the rent where they live, whether they are in Aberdeen, Shetland or Dumfries and Galloway. That is the realistic position that we should be getting to, rather than ripping £3.7 billion-worth of social security cuts out of the most vulnerable people in our society.

Michelle Ballantyne: That was more of a statement than an answer to the question, but I will move on.

Anecdotally, we have heard that private landlords are not keen on letting to tenants who are on benefits. Certainly, like everyone else, in my life I have seen the "No DSS" signs that people put up. The question has come up whether the Scottish Government can do anything to prevent landlords from advertising accommodation in that way. What can we do to ensure that they engage with people who claim benefits?

Kevin Stewart: At the outset, I say that use of the term “No DSS” in adverts for private rented sector properties is something that we disapprove of strongly. We very much sympathise with people who are struggling to find affordable rented property and who are in receipt of state benefits—individuals and families who have had to rely on what remains of the safety net.

Although, as Michelle Ballantyne is very well aware, equality legislation is still a reserved matter, it is in the powers of the Scottish Parliament and Scottish ministers to encourage equal opportunities and the observance of equal opportunity requirements. We can confirm that preventing use of the blanket term “No DSS” was discussed with the industry during development of the new regulatory regime for letting agents in Scotland.

That new regime includes a statutory code of practice and compulsory training requirements. The code sets out the standard that is expected of letting agents that operate in Scotland with regard to how they manage their businesses and provide services to people. It includes an overarching standard that requires that letting agents must not unlawfully discriminate against a landlord, tenant or applicant. In addition, letting agents must have undertaken training on equality issues before they can be entered on the Scottish register of letting agents. It is hoped that those measures will strengthen regulation of the letting agent industry in Scotland and will raise standards where that is needed, in order to help to build a more effective sector that meets the needs of all.

However, on the general thrust of the matter, although we can put in place all that regulation to deal with letting agents and others, the key thing would be for equalities issues, which are reserved, to be devolved to the Scottish Parliament so that we can take more action on that and other types of discrimination.

10:00

Michelle Ballantyne: You mentioned letting agents. Is it correct to say that the legislation that you are talking about will not cover private landlords or people who rent out their properties and manage them themselves?

Kevin Stewart: The legislation will cover all folks who let out using letting agents, which is a huge part of the sector. On every occasion when I can do so, I will discuss with the Scottish Association of Landlords and others the obligations of individual private landlords.

However, I come back to the crunch of the matter—Ms Ballantyne has tried to avoid this point all morning—which is that the vast bulk of powers in relation to equalities rest with the UK

Government. It should act on the matter by legislating on equalities, but I would like such powers to be devolved to the Scottish Parliament so that we can take even greater action to rid our country of such discrimination.

Michelle Ballantyne: Given that we are talking about equalities, I note that I am Mrs Ballantyne, not Miss Ballantyne. I was asking a couple of questions; I was not avoiding anything.

The Convener: I will mop up a couple of things. I do not want to misrepresent the Scottish Association of Landlords—which is always a dangerous thing to do—but I think that it has said that the sector would be more likely, rather than less likely, to let to universal credit tenants if the rent component of universal credit went directly to landlords. I am pretty sure that that is an accurate representation of what it said.

We have discussed Scottish choices. Has the Scottish Government given thought to how Scottish choices apply with regard to the default to opt in or opt out, particularly in the private rented sector, given that we have heard concerns that the sector is less likely to rent to UC claimants at present?

Kevin Stewart: I would certainly not want to put words into the mouth of the Scottish Association of Landlords, either. I am willing to discuss the issue with John Blackwood and others in SAL to see whether they are finding such difficulties. In recent conversations with SAL, we have covered other topics and not necessarily that one, but I am certainly willing to explore the situation with SAL and find out what evidence it is getting back from its membership.

The Convener: I will certainly need to double check that I captured SAL’s view accurately. Are there other ways in which we could use the social security system—either at the reserved, UK level or at the Scottish level, although I accept that the Scottish Government has a much narrower scope of powers—to encourage access to the private rented sector? For example, rent deposit schemes are run throughout the country, but they tend to involve relatively low-level deposits. Private landlords sometimes look for deposits of two, three, four or five months’ rent, which can be a barrier to accessing the private rented sector for a lot of people. Could we use the social security system in more innovative ways to support people into the sector?

Kevin Stewart: As you point out, local authorities run a number of deposit guarantee schemes across the country. They work well in many places, and we talk a lot about sharing that best practice. I do not think that it is necessarily a matter for the social security system per se, but we can discuss the issue further with local

authorities. I am sure that you and others round the table are well aware of various parts of the country where such schemes are working well, but they do not exist everywhere. We should encourage their use.

Alison Johnstone (Lothian) (Green): According to the Scottish Government's written submission, 2,800 households in Scotland, the majority of whom are families with children, are subject to the benefit cap. Indeed, that issue was raised with us when we visited organisations and individuals in Leith a few weeks ago. Some DHP funding has notionally been allocated to the benefit cap, but do you have any figures for the number of capped households that it covers?

Kevin Stewart: I do not think that I have that information to hand, but I might be able to find those figures as I talk through the issue a little bit.

The benefit cap has obviously had a major impact on the families whom Ms Johnstone mentioned. There has been some very good practice in some local authorities that, at an early stage, worked proactively to spot those families who were likely to be affected by the cap and tried to move them from what was in some cases quite expensive private rented housing into the social sector. I applaud authorities that have moved in that way, and it is an approach that we should be encouraging all authorities to take.

The statistics are in some cases broken down at local authority level, and it would be better if we sent that information to the committee instead of my reading it out. Of those families in Scotland to whom the cap has been applied through housing benefit rather than universal credit, 89 per cent contain children, with 77 per cent having three or more, and 64 per cent are lone-parent households. Lone-parent families and families with three or more children are, as Ms Johnstone will be aware, priority groups in our tackling child poverty delivery plan. Nearly 93 per cent of households that are affected by the benefit cap contain children, with larger families making up a significant proportion. The majority of households that are affected are in the social sector, but a third of them are in the private sector.

We have collated some of the available DWP data on the benefit cap in Scotland, using a number of measures. However, as I said, that has been broken down at local authority level and, instead of my reading it all out, it will be best if I send the information to Ms Johnstone. The table itself is a little bit complex.

Alison Johnstone: That will be very helpful. Two of the young parents whom I met talked about being served with a notice to quit simply because of the cap, and their potentially finding themselves in temporary accommodation, which does not

save anyone any money and results in long-term costs and damage.

Kevin Stewart: Perhaps I can respond to that comment, because it brings me back to my original point. We would like local authorities to act proactively in these situations and help families to move from very expensive private rented accommodation to housing in the social sector. That approach has helped greatly.

I do not necessarily want to talk about what individual local authorities have done, but I assure Ms Johnstone that we have been trying to get other local authorities to follow that best practice. It is best for them and best for families, because acting proactively prevents us from having to deal with crises and prevents families from having to move into temporary accommodation.

Alison Johnstone: As the minister will be aware, the situation is particularly acute in certain parts of the country. The meeting that I mentioned took place in Edinburgh, where the pressures are well understood, and concern was expressed that moving families into social housing sometimes takes young parents away from family and friends.

I appreciate the minister's comments and the fact that work is on-going to ensure that the impact of the situation does not become worse. Are local authorities and the Scottish Government able to reach out to families who are impacted by the cap and help them to apply for reserved benefits that might confer a cap exemption?

Kevin Stewart: Knowing about some of the work that is going on in certain places, I know that one of the key things for such families is income maximisation. Good work is going on in that regard in many parts of Scotland. We want to ensure that, as we move forward on social security, housing and other areas of Government, best practice is exported so that people do their level best for those folks who are the most vulnerable.

If it would be useful for the committee, we can provide examples of some of the work that has gone on in certain places around that. It is not just local authorities that are involved in income maximisation. As I said, housing associations, as key anchor organisations, have some of the best money advice services that are out there and they do the best that they possibly can to help those folks who have been affected by the benefit cap and other cuts to social security.

I will go back to Ms Johnstone's first point, after which I will hand over to the cabinet secretary. The Government wants folk to spend as little time in temporary accommodation as possible. It is somewhat daft that folk are being moved from settled housing into temporary accommodation because of the cuts. The UK Government needs

to take cognisance of that in relation to the formulation of what is, to me, a particularly daft policy.

Obviously, trying to lessen and eventually eradicate the use of temporary accommodation means delivering more homes. As the committee is aware, the Scottish Government has pledged to deliver in the current session of Parliament 50,000 affordable homes, with 35,000 for social rent. That is the biggest housing programme for decades and it will go a long way in helping to deal with some of the problems.

Shirley-Anne Somerville: I will add two points. When we discuss the benefit cap, it is important to recognise that it also applies to those in the system who are not expected to work. Even if the UK Government insisted on keeping a benefit cap, if it was at least to take out of it those who are not expected to work, that would certainly alleviate some of the hardship, particularly for some of the most vulnerable people in our communities—the people whom Mr Stewart mentioned.

There is a difficulty in the system. We are capping people's benefits even when they cannot go out and work and the DWP does not expect them to do so. If such changes were made, the Scottish Government would not have to try to mitigate a fault in the reserved system, which would free up funding in the Scottish block grant so that we could fund, for example, DHPs and other areas within social security.

It is also important to recognise that trying to assist people through DHPs is effective only for those who are entitled to apply for them. Again, there is a challenge. We can attempt to mitigate areas around the benefit cap—we are doing so, and local authorities are taking that forward—but that works only if we can get the message out that people should apply. Inherently, the best way to deal with the problems is to deal with them at source by stopping the benefit cap and not putting people into positions of hardship. The Scottish Government and local authorities are attempting to provide a workaround in order to assist some of the most vulnerable people in our society.

Alison Johnstone: Sheila Hague from the City of Edinburgh Council told us that it is difficult to get people to apply for a DHP even when they know what is available. I wish that such assistance was not required, but what can we do to try to help people who may be entitled to a DHP to make that application?

10:15

Shirley-Anne Somerville: That ties in to some of the areas that we are working on throughout social security to do with income maximisation and ensuring that people know that, if there is support

out there, they should apply for it. We have had discussions as part of other committees' considerations about the stigma of applying and whether people feel that they can apply for such assistance. A myriad of work can go on at local authority level and Scottish Government level to encourage take-up and ensure that people apply.

Alison Johnstone is right to point to the challenge that having the scheme is not enough and that we must ensure that those people who are entitled to apply for a DHP are doing so. The evidence that the committee has heard will be very interesting to us as we move forward with our deliberations on DHPs and take-up in general. How do we implement assistance in such a way that people are aware of it and are encouraged and supported to apply? If we get that right, we will make a difference to those people.

However, I return to the point that that works only for a percentage of people. It does not take away the problem at source, which is what we really need. We need to stop people having to jump through hoops to get entitlements in order to get themselves out of a very difficult position.

Keith Brown: I will pick up a theme that runs through several of our questions and answers and goes back to Mark Griffin's point on Scottish choices.

I apologise if I have got this wrong, but I seem to remember that we heard evidence from the DWP that there was no difference in the amount of work, whether it applied Scottish choices or alternative payment arrangements. I understand that the cabinet secretary has said that the amount of money that we are paying the DWP is worth it to get the outcomes that we are getting. The question is whether the DWP is justified in asking for that payment when it has told us that there is no difference in how it administers the system. I know that the cabinet secretary is committed to reconsidering the evidence. I would like a response to that point and to the question whether the DWP is simply plucking figures out of the air and saying, "We will charge you this to do that."

The cabinet secretary referred to a queue of IT changes that are waiting to be implemented. Given those problems with the system, the fact that universal credit was first mentioned seven years ago by Iain Duncan Smith, and the length of time for which the Westminster Government has known that the Scottish Parliament would be getting social security powers, has there not been a major failure to implement a sufficiently flexible system? We often hear the phrase, "We will just mitigate or change it—it is easy to do" thrown about, but that is patently not so and it is extremely expensive. The system is really inflexible and every little change comes at a huge cost.

Has there not been a failure in the planning of the universal credit system? We heard in previous evidence that some of the legacy systems used by the DWP go back to 1948 and comprise a paper-based system in a warehouse. I am worried that the IT procurement in relation to universal credit has completely failed to anticipate the flexibilities that are required.

Shirley-Anne Somerville: There is a difference in the offer between what is proposed in alternative payments and in Scottish choices. I would not like to speak for the DWP in any way, but I presume that it meant that the implementation from its end is the same. There is a difference in the policy and the offer, but from an operational perspective, it is either doing one or the other. I think that that is what the DWP was getting at.

The challenge in relation to any changes to universal credit goes back to the way in which universal credit was initially set up. The DWP has faced difficulties over a myriad of years to implement universal credit because, initially, the policy sat very separately from the operations and when they came together to present a system it just did not work.

That leaves the DWP in the difficult position of constantly trying to fix the problems. The DWP will freely admit to some of the problems, because it has accepted that there are issues. Other problems are built in to the system and, at a political level, the DWP believes that they should be there—for example, the five-week wait. So, in some areas there will be no change because, at a political level, the DWP does not want there to be a change. Where the DWP accepts that change is needed, it is difficult, because, frankly, there are just so many problems, particularly in the case of the larger IT systems. That makes the whole system inherently inflexible.

That is exactly why, within Social Security Scotland, we have adopted an agile method for project delivery, to ensure that policy is working hand-in-hand with operations within the programme. We are building incrementally so that we are constantly learning and adapting before we go live—and indeed after we go live—to ensure that we do not have the same problems of inflexibility.

Mr Brown is quite right to point out the challenges of getting the DWP to do anything on UC in the areas that we are interested in, around the devolution of benefits. Quite frankly, that is a very small part of the DWP's much wider programme of work just on UC, never mind everything else that is going on within the DWP. That makes it inherently difficult for the Scottish Government to get any traction. We are absolutely not in charge of when things happen. Any

timetable and whether it slips is utterly down to the DWP. We have seen that with the bedroom tax.

The concern, then, is how quickly we will be able to deliver, for example, split payments—another area that the committee has taken a keen interest in—because the IT solution has to be delivered by the DWP. There is simply no other way to do it.

The Convener: We have heard quite a bit this morning about the impacts of welfare reform on those using temporary accommodation and on families, which the minister is understandably keen to talk about.

Has the Scottish Government made any assessment of the impacts of welfare reform on homelessness in Scotland? Is there an evidence base and is there any analysis of how welfare reform is impacting on homelessness or the use of temporary accommodation? Can you provide the committee with any information on that?

Kevin Stewart: I am sure that we can provide you with a lot of data. As you are well aware, a huge amount of data and evidence is being gathered by neutral parties—third sector organisations and others—on the impact of all the social security cuts and welfare reforms on homelessness here in Scotland.

The recent Crisis report on the rise in homelessness quite clearly points the finger at the benefit cap, the changes to universal credit and the catalogue of other disastrous changes that there have been.

We will provide you with data on all that. We have an ambitious plan here in Scotland to eradicate rough sleeping, to improve temporary accommodation, and—we hope—to end homelessness for good. We are making great strides in terms of our investment and our changes, which are making a real difference to people's lives here. However, we are doing all that against the backdrop of all the welfare cuts.

I will not go into too much depth, but in 2018, the Government published a report on the impact of welfare reform on tenants in both the private and social rented sector. That was the third follow-up paper to the annual report on welfare reform, covering all the impacts of welfare cuts in the housing sector. I am more than happy to share all that with the committee.

The Convener: That would be helpful. I will try to be a bit more positive. If reforms to the social security system can have a detrimental impact on homelessness, by definition, other reforms around how we use moneys within the system can have a positive impact on tackling homelessness.

I know the impacts from my experience in Glasgow. I took the opportunity to go to see the

work in action before the winter night shelter closed, and I saw the city council social workers who were embedded with its team. After that, I was told that other people who rough sleep will not use the shelter, for whatever reason, and I know from my case load that some homeless people who sofa surf will not use temporary accommodation, particularly the working poor, because of its cost and also the cost of storing furniture. The cost of a move into a furnished flat can be punitive for what can be poor quality accommodation.

We are left with a picture that suggests that there is a heck of a lot of good work being done and, despite financial pressures, there is a lot of money in the system—looking at housing benefit and the costs of temporary accommodation. The homelessness and rough sleeping action group had something meaningful to say about that and wanted a stronger evidence base. There are moves afoot with the Scottish Government about how to best use all those moneys with regard to temporary accommodation if they were to be devolved fully to Scotland, to get better outcomes for everyone. We are looking for positives as well as negatives. How can we reform the social security system to assist?

Kevin Stewart: Convener, there are a lot of positives out there. You spoke about the Glasgow night shelter; we have yet to get all the analysis of the winter interventions, but because of some of the changes, which have involved such things as embedding the right staff in those places, we are moving folk more quickly off the streets and into accommodation. I will not go into too much depth, but I understand from the Glasgow night shelter that, on one occasion, a person who presented there was the next day in accommodation that they wanted and felt safe and secure in. That is a major move forward with regard to ensuring that we join up services to do our very best for people.

The entire ethos of the rapid rehousing and transition plans that we have asked all local authorities to prepare is to ensure that we have that joined-up approach and do what is right for folks. My homelessness team is working hard to look at all the information that has come back on those plans. We are ensuring that best practice will be exported so that everybody starts from a good base. It will require the bending of spend so that it can be used to deal with helping people at the early stages rather than dealing with all of it at crisis points for individuals and families.

You mentioned the devolution of housing benefit, convener, and the HARSAG has recommended the devolution of housing benefit for temporary accommodation. That would allow us even greater flexibility to transform those services. Unfortunately, you heard from DWP

officials last week that the UK Government is unwilling to devolve those areas of business. The way that that has been done is unfortunate, because I and the COSLA spokesperson, Councillor Elena Whittam, wrote to the Secretary of State for Work and Pensions some time ago to ask for the devolution of those benefits. We have yet to receive a response, even though my officials have been on and on at the DWP. It seems that Ms Rudd is quite happy for her officials to come here and say that there will be no devolution, although the Government has not had a formal response.

10:30

The Convener: I appreciate how unsatisfactory that is, but in looking at those aspects I want the committee to stay focused on social security—it is not a local government committee. We have a strong interest in seeing how the social security money could best be used. Despite your having had answers that you do not want—not directly from the UK Government but via civil servants—will modelling work continue on how best to use that money?

You could get to the stage of saying that the UK Government is not devolving cash that we could use more flexibly. The cash that could be devolved could be quantified, and you could model how that money could be better used. It would make a powerful case to say, “That is how the money should be spent, now please devolve it or get on and do the job in partnership with us.” Is that work on-going, irrespective of the current refusal?

Kevin Stewart: It is vital that we work together with partners to do our level best to make the changes required within the system. The co-operation from local authorities and third sector partners in implementing the HARSAG recommendations has been top notch. The level of co-operation, information sharing and spreading of best practice is top notch.

The key missing partner is the body that controls a huge number of the purse strings. If that body came into play and worked with us, we would be able to do much more to transform the services. Unfortunately, from the evidence given to the committee last week, it seems that the UK Government is unwilling to devolve that area. I await the official response from the secretary of state, but if the UK Government is unwilling to devolve the powers, it should at the very least enter into dialogue with us about changes that would make a huge difference to the lives of many of the most vulnerable folk in Scotland.

The Convener: It would be helpful for the committee to be updated on any movement or

progress—not on devolution, which does not look as if it is going anywhere, but on dialogue.

Has the amount of housing benefit money in the system that is being used to support sometimes unsatisfactory networks of temporary accommodation, rather than the early intervention that local authorities and Government clearly want to do, been quantified? How much money is swirling about the system?

Kevin Stewart: I cannot give that number off the top of my head. It would be unwise of me to take a stab in the dark. We know that local authorities spend significant sums on homelessness and the support of vulnerable people. As folk are well aware, the Scottish Government has put more money into the system.

I do not have the housing benefit figure at the moment, but that is the biggest number. It would be easier to do a complete transformation if that money were in play and, beyond that, if we had a partner who was willing to discuss what changes it could make, even if the power was not devolved. That could make it easier for us to change the system for the better for people here. That is not an issue for Scotland only. It is also an issue, for example, for the metro mayors in England.

Last summer, I met Steve Rotherham, the metro mayor of Liverpool, and Andy Burnham, the metro mayor of Manchester. They are also introducing ambitious policies to transform homelessness in their areas. Unless there is a change in thought around housing benefit from the DWP, they will face the same difficulties as we do in that regard. I hope that the UK Government will see sense. I hope that it will devolve that area but, if it chooses not to, I hope that it will rethink the system.

The Convener: Before I finish this line of questioning, I note that I alluded earlier to the high cost of temporary accommodation. Some deeply poor temporary accommodation costs up to £1,000 per month. In parts of my constituency, a person could pay the mortgage on and stay in a lovely detached property for less than the cost of some of the poor-quality temporary accommodation. I know that HARSAG considered that and made recommendations. Why is the cost of temporary accommodation in Scotland so high? Does the way the social security system is currently structured make it so high?

Kevin Stewart: First, I point out that the vast bulk of people who are in temporary accommodation in Scotland are in mainstream social housing. Obviously, our ambition is to make sure that as many folk as possible who are in temporary accommodation move into mainstream social housing, rather than something else. That is why we have reduced the length of time that families and pregnant women can spend in

unsuitable accommodation, and it is why we are making moves to include everyone in that, in order to make the situation right.

On funding and the costs of temporary accommodation, as we move forward we must build a new framework. It would be much better if the DWP was involved in that. We are currently doing a huge amount of work to conduct robust analysis of the existing funding models. The work is based on data that has been supplied by local authorities and other bodies. Working in partnership with them, we will design a revised funding model and determine how we will go forward.

We can set out in more depth our responses to HARSAG and how we are moving forward on all fronts. I am sure that the committee is interested only in the aspects that involve housing benefit and social security. However, we are moving forward at pace in every sense to ensure that we can deal with and respond positively to the HARSAG recommendations. Although the Government accepted every one of the 70 recommendations that the group made, we had to caveat six of them because we do not have powers over the relevant benefits.

The Convener: That is all very helpful. I do not want mission drift into aspects of housing and homelessness, but it would be helpful if you could write to the committee after the meeting about how much housing benefit in the system is not being used efficiently. We are keen to capture how much money in the system supports temporary accommodation, which appears to have substantial costs, and whether that cost is inflated. If we move towards a recommendation that a significant amount of money in the social security system could be used to get better outcomes for people who go through the homelessness system—including temporary accommodation—we need to know how much money is in the system and how many people might benefit from it. Although we are not remotely aware of what the changes would look like, we must quantify some of that information.

Kevin Stewart: We will endeavour to provide what information we know about housing benefit spend. You saw me look at you, convener, in response to your use of the word “efficiently”: there will higher housing benefit costs for specialised accommodation than for other accommodation. I appreciate that you—and probably the committee—find it difficult to believe the cost of some accommodation. We will try to capture the information and send it to the committee.

The Convener: That will be very helpful. I have no further questions, and colleagues have none. I thank the cabinet secretary, the minister and their

officials for coming along and giving evidence. We would like the additional information at your earliest opportunity, because we are about to produce our report.

10:41

Meeting suspended.

10:42

On resuming—

Correspondence

The Convener: Agenda item 3 is correspondence from the Finance and Constitution Committee.

I refer members to paper 3, which is a note by the clerk and a letter from the Finance and Constitution Committee, and papers 4 and 5, which are related Scottish Parliament information centre briefings. The Finance and Constitution Committee wrote to all subject committees on 25 March 2019, with a view to exploring

“a more co-ordinated approach with other Scottish parliamentary committees to developing the Scottish Parliament’s scrutiny role in relation to the new powers arising from the UK’s withdrawal from the EU”.

It has asked for views on three areas: legislation, common frameworks and international treaties.

Paragraph 8 of the note by the clerk suggests what the committee might wish to say in its response. I might put that on the record shortly, but before I do, would members like to comment?

Keith Brown: Perhaps an obvious point to make is that it should not be the case that the agreements to be reached between the UK and Scottish Governments rest just with Scottish ministers: it is important that the Scottish Parliament also has a role. Its role has been substantially truncated and trodden on during the progress of Brexit, but the Parliament has an on-going duty to undertake the maximum possible amount of scrutiny, especially when powers have been agreed between the two Governments. It is probably less relevant for this committee than it is many others, but I am very supportive of the idea that we do the maximum possible scrutiny, using anything that allows us to do that flexibly.

I am a wee bit cynical about the Sewel convention, given that the UK Government’s stated position in court is that it was merely a “self-denying ordinance”. That level of contempt is often shown by the UK Government, but I am generally very supportive of the proposal.

The Convener: I am content with what has been suggested. Paragraph 8 of paper 3 says:

“In such circumstances, in responding to the Finance and Constitution Committee, the Committee may wish to support the recommendations of the DPLR Committee in its report on the Immigration and Social Security Co-ordination (EU Withdrawal) Bill and that, as a matter of principle”

—this is the key bit—

“the Scottish Parliament should have an opportunity to scrutinise the exercise of any legislative power relating to devolved social security powers. Further, that where a power in relation to devolved social security is to be

exercised by a UK Minister alone it should only be with the consent of Scottish Ministers and finally that a process is put in place whereby the Scottish Parliament is able to scrutinise any proposal by Scottish Ministers to give their consent to the exercise of the powers by a UK Minister, in advance of the consent being given.”

To me, that means that this Parliament should do robust scrutiny in advance at all times. I am content with that position.

Are members content to reply to the Finance and Constitution Committee’s convener, Bruce Crawford, along those lines?

Members *indicated agreement.*

The Convener: That being the case, we move to agenda item 4, under which we will continue in private our consideration of evidence on social security support for housing.

10:46

Meeting continued in private until 11:18.

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